



INSURANCE FRAUD INVESTIGATION DIVISION
Kentucky Department of Insurance
909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050
Phone 502-564-1461 – FAX 502-564-1464
Fraud Statistics/Convictions Activity
December 2012

<u>Fraud Statistics</u>	<u>Month/December</u>	<u>YTD</u>
Total Referrals Received.....	152	1,913
Closed Referrals.....	89	1,649
Open Cases (Investigations – includes prior years).....		334
Assigned Cases (Investigations).....	2	217
Closed Cases (Investigations).....	16	102
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	2	14
Charges (2 felony, 2 misdemeanor)	4	103
Convictions (14 felony, 1 misdemeanor)	15	89
Restitution Ordered.....	\$ 6,313.36	846,232.35
Restitution Agreed.....	\$.00	785,911.05
Restitution Total.....	\$ 6,313.36	1,632,143.40
Investigation Expenses to Division		
Awarded.....	\$ 1,354.40	31,616.56
Collected.....	\$ 1,217.38	9,228.77
DOI Fines.....	\$.00	5,000.00
Administrative Subpoenas Issued.....		15
Non-Licensed Individuals.....		15
Licensed (active/inactive individuals).....		
Subpoenas Received.....	2	19

Convictions Activity – December 2012

William Johnson – Johnson made a false theft claim at a rental property. He pleaded guilty to two counts of felony fraudulent insurance acts and was sentenced to two years on each count. He was placed in a diversion program and ordered to pay \$6,316.36 in restitution to Allstate and was ordered to pay \$854.40 in investigative expenses to the Department of Insurance.

Lowell Cornett – Cornett stole life insurance benefit checks left to another individual. Cornett entered a plea of guilty to one count of fraudulent insurance acts less than \$500 and was sentenced to 12 months in jail, probated for 12 months. He was fined \$1,000 with \$500 suspended and ordered to pay restitution of \$100 to the Kentucky Teachers Retirement System and \$140 in court costs.

Ryan Dudgeon – Dudgeon, an agent, forged signatures on policies and issued policies without customer consent or knowledge in order to generate commissions. Dudgeon pleaded guilty to five counts of felony fraudulent insurance acts and seven counts of forgery second degree. He was sentenced to five years imprisonment, probated for five years. He paid \$7,472.47 in restitution to Banker's Insurance company/CNO Financial.